

Department of Public Health  
and Human Services

Section:  
CASE MANAGEMENT

FOOD STAMP PROGRAM

Subject:  
► Program Compliance Reviews

**Supersedes:** FS 1508-2 (10/01/04)

**References:** 7 CFR 275.12(g); 7 CFR 273.2(d); 7 CFR 273.8(h)

GENERAL RULE -- Program Compliance (PC) reviews are conducted using a statistical sampling of cases. The reviews provide:

1. A systematic method of measuring the validity of the food stamp caseload;
2. A basis for determining error rates;
3. Information to base corrective action plans at all levels of administration; and,
4. A basis for establishing the State Agency's eligibility for high performance bonus money.

#### **SHARED GOALS**

The Food Stamp Unit and the Program Compliance Unit share the common goal of improving the payment accuracy of food stamp cases by:

1. Making every reasonable effort that each case selected for review is eligible and receiving the correct allotment; and,
2. Maintaining the integrity of Program Compliance rules and regulations.

#### **►FAILURE/REFUSAL TO COOPERATE**

When an individual does not cooperate with a Program Compliance review, the Program Compliance Auditor (PCA) sends a disqualification letter to the County Director stating the household has not cooperated with the review. The OPA Case Manager must close the food stamp case with timely notice of adverse action. The household is disqualified even if the case closed for a different reason prior to receiving the disqualification letter. It must be documented in case notes that the individual and any household he/she is a part of is not eligible to receive food stamps until he/she cooperates with the Program Compliance case review or the household reapplies for food stamp benefits 95 days after the end of the annual QC review period (FS 104-1). The OPA Case Manager must set program and person alerts to help identify the disqualification. If a household reapplies for benefits during the disqualification period, the OPA Case Manager must verify with Program Compliance that the individual has cooperated with Program Compliance before food stamp benefits can be issued (FS 104-1).

**NOTE:** If a household does not cooperate with a Program Compliance review for the Food Stamp Program and the case is open on TANF and/or Medicaid, the OPA Case Manager should refer to the program policy manual for the policy for each program.

**SENDING CASE FILES WITHIN THREE DAYS**

The OPA sends the case file to the Program Compliance Auditor within three calendar days after being notified (phone, e-mail, or letter) the case was selected for review. The PCA returns the case file to the OPA within three calendar days of receipt.

**PROGRAM COMPLIANCE REVIEWS**

The Program Compliance Auditor reviews information gathered from all sources (e.g., case file, TEAMS, collateral contacts, etc.) and determines whether food stamp eligibility is determined correctly.

The PCA contacts the OPA, if needed, to:

1. Notify the OPA if the case was dropped due to inability to locate;
2. Communicate information discovered relevant to any assistance program that could affect eligibility and benefit amount;

**NOTE:** Contact will be made promptly if the information could cause a continuing error.

3. Provide feedback to allow for the correction of the errors if one error offsets another error resulting in a no dollar error; and,
4. Work cooperatively with all parties involved in review process.

**NOTE:** The Regional Policy Specialist (RPS) may be consulted by the OPA (following OPA protocol) or the PC Lead Worker.

The PCA submits the findings and the PC review file to the PC Lead Worker within 45 calendar days after the case was assigned for review. The PC Lead Worker determines if the findings of the review are correct.

**NOTE:** The time frames given are guidelines. Federal regulations require PC to transmit the case to the Food and Nutrition Service (FNS) within 95 calendar days after the month the case was selected for review. Case files are forwarded to the next step in this process as soon as possible. Some of the steps may take longer than indicated.

**FINALIZED  
CORRECT CASES**

When the case is determined to be correct, the findings are finalized. A *smiley face* is sent to the OPA and/or the RPS.

**►ERROR  
RESOLUTION  
PROCESS**

The PCA contacts the PC Lead Worker to discuss the case circumstances in order to find the case correct. If they cannot find the case correct, the PC Lead Worker sends the error findings to the Food Stamp Policy Specialist. The Food Stamp Policy Specialist will email a response to PC Lead worker within seven days as to whether or not the Public Assistance Bureau staff concur with the PC review findings.

The Food Stamp Policy Specialist attempts to resolve any discrepancies in the findings prior to the error findings being forwarded to the OPA Case Manager, Supervisor, County Director, and Regional Policy Specialist for their review. If the Public Assistance Bureau (PAB) staff agrees with the findings, the Food Stamp Policy Specialist contacts the PC Lead Worker and the findings are finalized.

If PAB staff does not agree with the error, the Food Stamp Policy Specialist will contact the PC Lead Worker to discuss the issues. If additional information is needed, PCA will be responsible to obtain the information. The findings are finalized depending on the receipt of the additional information.

If the Food Stamp Policy Specialist and PC Lead Worker cannot resolve the issue(s) with the findings, the Food Stamp Unit Supervisor and PC Supervisor review the case with staff. If the issues regarding the findings still cannot be resolved, the PC Lead Worker will seek clarification from Regional FNS QC staff. The findings are finalized depending on the receipt of the clarification.

When PC error findings are finalized, they are forwarded electronically to a Food Stamp Unit designee to distribute to OPA Management, RPS, Quality Assurance Reviewers, and the Food Stamp Unit. The Food Stamp Unit designee also sends the Food Stamp Program Compliance Error Response Report electronically at this time. This report must be completed and signed by the OPA Case Manager and Supervisor and mailed to the Food Stamp Unit designee by the due date listed on the form (10 days from when the form is sent). The purpose of the report is to use information from the reports to improve payment accuracy.

**RESOLVING  
ISSUES**

There may be times when the Program Compliance Auditor has verification/information that is not in the case file. This verification/information may need to be faxed to the Food Stamp Policy Specialist and OPA for discussion purposes. The decision whether or not to fax the verification to the OPA is made by the PC Lead Worker and the Food Stamp Policy Specialist.

When a PC procedural issue and/or program policy issue arises that requires FNS guidance, it is the responsibility of the PC Lead Worker to obtain clarification from FNS. It is the Food Stamp Policy Specialist's responsibility to obtain clarification from FNS regarding policy issues. The PC Lead Worker and the Food Stamp Policy Specialist decide who will request clarification from FNS for joint issues.

**TRACKING PC  
REVIEWS**

Food Stamp Unit designees:

1. Track causes of errors for training purposes;
2. Meet and consult with Regional Policy Specialists and Central Office Policy Specialists as needed to share data and improve payment accuracy; and,
3. Review accuracy and timeliness of reviews resulting in over payments.

Quality Assurance Specialists complete a TEAMS review of the error cases 90 calendar days after the error was finalized to assure the accuracy of the case.

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